

Full

**GOLDRAY MINES
LIMITED**

Annual Report



For the Year Ended April 30, 1975

GOLDRAY MINES LIMITED

CAPITALIZATION

	Authorized	Issued
Common Shares	5,000,000	3,009,931

OFFICERS AND DIRECTORS

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DIRECTORS

K. B. ANDRAS	Toronto, Ontario
MURRAY AXMITH	Toronto, Ontario
W. NOEL O'BRIEN	Toronto, Ontario
WALTER R. PACKMAN	Port Credit, Ontario
B. E. WILLOUGHBY	Toronto, Ontario

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OFFICERS

MURRAY AXMITH	President
K. B. ANDRAS	Vice-President
WALTER R. PACKMAN	Secretary-Treasurer

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TRANSFER AGENT

Guaranty Trust Company of Canada

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EXECUTIVE OFFICES

Suite 202, 220 Bay St., Toronto

10.9% Denison

GOLDRAY MINES LIMITED

Directors' Report

TO THE SHAREHOLDERS:

Enclosed herewith you will find Notice of Annual Meeting which is to be held in the Saskatchewan Room, Royal York Hotel, 100 Front Street West, Toronto, Ontario on August 27th, 1975 at 10:00 A.M. The Financial Statements for the year ended April 30, 1975 are enclosed with an Information Circular and a form of Instrument of Proxy.

LAC DES ILES — SHELBY LAKE AREA — ONTARIO

Goldray along with Combined Metal Mines Limited have jointly optioned a 12 claim group from Boston Bay Mines Limited on the same structure on which Boston made a platinum-palladium discovery. A further 24 claims adjoining were staked and are part of the Agreement. Boston Bay has since optioned its discovery property along with this option to Texas Gulf Limited. Goldray and Combined can earn a 50% interest in the claims by a total expenditure of \$150,000. A ground Electro-Magnetic survey has been completed over the claim group and as a result several conductors have been recommended for drilling. It is proposed that drilling will commence after freeze up.

MANITOBA AND SASKATCHEWAN — FLIN FLON PROJECT

During the past twelve months, a full scale exploratory drilling program has been underway on the large land holdings south of Flin Flon, Manitoba. To date nearly \$500,000 has been spent with Canex Placer funding the follow up and drilling programs. A total of 8,899 feet in 23 holes to test 17 geophysical anomalies was drilled. While no ore grade intersections were encountered, several interesting sections of massive sulphides were cut. Canex Placer have notified the participants that they are withdrawing from the program because of the changing investment climate, no doubt created by the Federal and some Provincial Governments. The expectation of success in the area remains high since only a relative handful of the many airborne geophysical anomalies located in 1973 have been tested. In Manitoba the exploration permits have expired, however, all the interesting areas have been staked by the original participants. Further activity is being planned in the hope of changing government policies.

WISENER LAKE — KENORA AREA, ONTARIO

Falconbridge Nickel Mines Limited who optioned this property began an exploration program on the 14 claim group. Ground geophysics and four diamond drill holes were completed and although some mineralization was encountered no commercial intersections were cut. The conductors were of a graphitic nature. No further work is planned.

COLUMBIUM DEPOSIT — JAMES BAY LOWLANDS

This property is being kept in good standing and any production decisions will be governed by a more favourable economic climate for the product.

Your Company has participated in quite a number of active exploration programs over the past many years both on its own and in association with other companies and will continue this policy on those ventures that have merit.

On behalf of the Board of Directors,

MURRAY AXMITH,
President.

July 29, 1975.

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Balance Sheet as

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ASSETS

CURRENT ASSETS	1975	1974
Cash	\$ 2,910	\$ 2,876
Short-term notes	54,000	170,000
Government bonds, at cost (market value 1975 — \$71,164; 1974 — \$68,036)	83,266	83,266
Sundry receivables and prepaid expenses	6,000	5,832
	<u>146,176</u>	<u>261,974</u>
INVESTMENT IN OTHER COMPANIES		
Listed shares, at cost (market value 1975 — \$244,763; 1974 — \$162,713)	256,125	163,600
Unlisted shares (nominal value)	1	1
Investment in shares of other mining companies (nominal value)	40	40
Investment in shares of Interprovincial Helicopters Limited (nominal value) (Note 3)	1	1
	<u>256,167</u>	<u>163,642</u>
HEAD OFFICE, FURNITURE AND FIXTURES (at cost)	1,643	1,643
MINING PROPERTIES	472,721	478,880
EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES (per attached statement)	764,960	852,379
	<u>1,237,681</u>	<u>1,331,259</u>
INCORPORATION AND ORGANIZATION (at cost)	3,785	3,785
	<u>\$1,645,452</u>	<u>\$1,762,303</u>

To be read in conjunction with the Auditors' Report

AUDITORS' REPORT

We have examined the balance sheet of Goldray Mines Limited as at April 30, 1975, and the statement of administrative expenses and changes in financial position for the year then ended, and the statement of accounting records and other supporting evidence as we considered necessary in the course of our audit.

In our opinion, these financial statements present fairly the financial position of Goldray Mines Limited as at April 30, 1975, and the financial position for the year then ended, in accordance with generally accepted accounting principles.

Toronto, Ontario,
May 26, 1975.

INES LIMITED

(of the Province of Ontario)

April 30, 1975

(figures for 1974)

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES	1975	1974
Accounts payable and accrued liabilities	\$ 10,948	\$ 21,914
Due to shareholders re 1942 distribution on realization of capital assets	<u>10,120</u>	<u>10,120</u>
	<u>21,068</u>	<u>32,034</u>
SHAREHOLDERS' EQUITY		
CAPITAL		
AUTHORIZED		
5,000,000 shares of no par value		
ISSUED AND FULLY PAID		
3,009,931 shares	3,009,931	3,009,931
Less: Discount	<u>901,204</u>	<u>901,204</u>
	2,108,727	2,108,727
DEFICIT ACCOUNT (per attached statement)	<u>(484,343)</u>	<u>(378,458)</u>
	<u>1,624,384</u>	<u>1,730,269</u>

Approved on behalf of the Board of Directors:

B. E. WILLOUGHBY, Director.

K. B. ANDRAS, Director.

The accompanying notes form an integral part of these financial statements.

<u>\$1,645,452</u>	<u>\$1,762,303</u>
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Shareholders attached hereto dated May 26, 1975.

THE SHAREHOLDERS

0, 1975 and the statements of deficit account, exploration and development and
r examination included a general review of the accounting procedures and such tests
cumstances.

he company as at April 30, 1975 and the results of its operations and the changes in
ng principles applied on a basis consistent with that of the preceding year.

STARKMAN, KRAFT, ROTHMAN, BERGER & GRILL,
Chartered Accountants.

GOLDRAY MINES LIMITED

STATEMENT OF DEFICIT ACCOUNT

For the Year Ended April 30, 1975

(With comparative figures for 1974)

	1975	1974
DEFICIT — May 1	\$ 378,458	\$ 335,151
ADD: Mining properties abandoned — written off	7,659	1,250
Exploration, development and administrative expenses written off	97,188	23,685
Investment in Interprovincial Helicopters Limited written down (Note 3)	—	19,999
	<u>104,847</u>	<u>44,934</u>
	483,305	380,085
LESS: Profit (loss) on sale of investments (Note 1)	(1,038)	1,627
DEFICIT — April 30	<u>\$ 484,343</u>	<u>\$ 378,458</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Year Ended April 30, 1975

(With comparative figures for 1974)

SOURCE OF FUNDS	1975	1974
Sale of listed shares	\$ 8,824	\$ 10,725
Loss on sale of bonds	—	(516)
	<u>8,824</u>	<u>10,209</u>
APPLICATION OF FUNDS		
Loss on sale of investments	1,038	—
Purchase of listed shares	101,349	20,844
Acquisition of mining properties	1,500	—
Exploration and development and administrative expenses	9,769	12,545
	<u>113,656</u>	<u>33,389</u>
DECREASE IN WORKING CAPITAL	104,832	23,180
WORKING CAPITAL — May 1	229,940	253,120
WORKING CAPITAL — April 30	<u>\$ 125,108</u>	<u>\$ 229,940</u>

The accompanying notes form an integral part of these financial statements.

GOLDRAY MINES LIMITED

STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES

For the Year Ended April 30, 1975

(With comparative figures for 1974)

EXPLORATION AND DEVELOPMENT	1975	1974
PROVINCE OF ONTARIO		
Sturgeon Lake Syndicate — airborne survey and diamond drilling	\$ —	\$ 323
Wisener Lake Area — airborne survey	—	4,226
James Bay Lowlands Project expenditures	250	1,128
B. J. Syndicate Cobalt Area		
Diamond drilling and general exploration less government assistance rebate	—	(2,528)
Taxes and licenses	1,580	1,663
Wages	300	300
Engineering and geologist fees	—	1,593
Insurance	204	200
SHELBY LAKE AREA — line cutting	2,500	—
MANITOBA AND SASKATCHEWAN PERMITS		
Geophysical survey and field expenses	1,852	13,987
OUTSIDE GENERAL EXPLORATIONS	—	658
	<u>6,686</u>	<u>21,550</u>
LESS: Hydro rebate — Red Lake Area	—	13,894
Rentals received	1,179	750
Sundry income	500	—
	<u>1,679</u>	<u>14,644</u>
	<u>5,007</u>	<u>6,906</u>
HEAD OFFICE AND ADMINISTRATIVE EXPENSES		
Administrative salary — director	8,000	8,000
Office salaries	6,140	5,720
Legal and audit	4,050	4,079
Office rent	3,510	2,340
Printing and shareholders' information	2,919	2,559
Office supplies and expenses	2,578	2,848
Transfer agent's fees and expenses	1,405	1,234
Travelling expenses	1,026	959
Interest and bank charges	939	446
Directors' fees	850	1,000
Taxes and filing fees	820	810
Telephone and telegraph	786	821
Canada pension plan and unemployment insurance expense	480	404
	<u>33,503</u>	<u>31,220</u>
LESS: Interest income	19,059	19,580
Dividend income	9,682	6,001
	<u>28,741</u>	<u>25,581</u>
	<u>4,762</u>	<u>5,639</u>
TOTAL EXPENSES FOR YEAR	9,769	12,545
EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES — May 1	852,379	863,519
	<u>862,148</u>	<u>876,064</u>
EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES WRITTEN OFF TO DEFICIT	97,188	23,685
EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES — April 30	<u>\$ 764,960</u>	<u>\$ 852,379</u>

The accompanying notes form an integral part of these financial statements.

GOLDRAY MINES LIMITED

NOTES TO FINANCIAL STATEMENTS

April 30, 1975

Note 1. SIGNIFICANT ACCOUNTING POLICIES

- (a) Due to the nature of the company's business, gains or losses on the sale of marketable securities are reflected in the statement of deficit.
- (b) Mining properties and deferred exploration and development expenses represent accumulated costs to date and are deferred until further exploration is considered to be unwarranted, or until commencement of production and are not intended to reflect present or future values.
- (c) Administration expenditures cannot be identified with specific property interests and are written off together with exploration costs applicable to specific projects on an arbitrary basis in a ratio of deferred development expenses for each project and total deferred development expenses incurred.

Note 2. MINING PROPERTIES, EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES

The company holds the following interests:

	<u>Mining Properties</u>	<u>Exploration and Development</u>	<u>Total</u>
(a) 100% interest in various claims in the Red Lake Area of Ontario for 626,623 shares valued at \$458,523 and cash \$7,500	\$ 466,024	\$ 159,114	\$ 625,138
(b) 26.67% interest in various claims in the Flin Flon Area of Manitoba acquired for cash	2,022	28,250	30,272
(c) 25% interest in various claims in the Shelby Lake Area of Ontario acquired for cash	1,500	2,500	4,000
(d) 7½ % interest in various claims in the James Bay Area of Ontario acquired for cash	2,400	139,192	141,592
(e) 47½ % interest in various claims in the Weisner Lake Area of Ontario acquired for cash	775	10,820	11,595
	<u>472,721</u>	<u>339,876</u>	<u>812,597</u>
Administrative expenses	—	425,084	425,084
	<u>\$ 472,721</u>	<u>\$ 764,960</u>	<u>\$1,237,681</u>

Note 3. CONTINGENT LIABILITY

The company owns a 25% interest (written down to \$1) in Interprovincial Helicopters Limited and has given a guarantee with respect to 25% of a \$24,000 line of credit extended to that company by its bankers. Interprovincial Helicopters Limited is presently liquidating its assets and management at present is unable to determine the extent of the actual liability on its guarantee.